

PROJECT REPORT

Of

PRESSED COMPONENTS

(Stainless Steel Plates, glass and
spoon items)

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Pressed Components.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]



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PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxx
Pin: xxxxxx State: xxxxxxxxx
Mobile : xxxxxx
- 5 Product and By Product : **PRESSED COMPONENTS**
- 6 Name of the project / business activity proposed : **PRESSED COMPONENTS UNIT**
- 7 Cost of Project : Rs.20.32 Lakhs
- 8 Means of Finance :
Term Loan Rs.12.29 Lakhs
Own Capital Rs.2.03 Lakhs
Working capital Rs.6 Lakhs
- 9 Debt Service Coverage Ratio : 2.29
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 37%
- 13 Employment : 9 Persons
- 14 Power Requirement : 30.00 HP
- 15 Major Raw materials : Stainless steel cold rolled sheets 1mm-3mm
- 16 Estimated Annual Sales Turnover (Max Capacity) : 105.87 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Building / Shed 1500 Sq ft	5.00
Plant & Machinery	7.15
Furniture & Fixtures	1.50
Working Capital	6.67
Total	20.32

MEANS OF FINANCE

Particulars	Amount
Own Contribution	2.03
Working Capital(Finance)	6.00
Term Loan	12.29
Total	20.32

PRESSED COMPONENTS

(Stainless steel plates, Glass and spoon items)

Introduction: Stainless steel offers industry-leading durability — simply put, the material is strong and holds its shape. It is highly resistant to impact and structural damage, and the rigidity of the steel is preserved with a broad temperature range (up to roughly 1400 degree Fahrenheit, at the top end). If you purchase stainless steel, you can count on it to last for a very long time. Replacements are generally not necessary (assuming adequate maintenance), except where the business requires new equipment for additional functionality. Stainless steel is resistant to corrosion, whether rust-based or otherwise. As such, stainless steel is perfectly suitable for a wide range of environments — it's worth noting, however, that despite being corrosion-resistant, there are still certain chemical environments that may pose a problem for stainless steel equipment. Unlike other popular materials, such as wood, grooved plastic, and various metal alloys (like aluminum), stainless steel retains a smooth and even surface quite easily. So long as you properly maintain the steel, there will be very few dips, crevices, and grooves that form in the steel.



Market Potential: Stainless-Steel Cooking Utensils. Stainless-steel cooking utensils are designed with a blend of strength and beauty. The durable metal

holds up to heat, cold and multiple uses, yet it has a shine that continues to glow impressively even over time. Stainless steel equipment is fairly common place, so you're most likely not going to run into issues with finding vendors with the requisite stainless steel equipment on sale. If you can't think of any reasons to go for an alternative material, it may be worth purchasing stainless steel equipment as the –default choice, assuming that you have sufficient capital. India is the second largest steel producer in the world and also approaching towards a full quality regime. The global stainless steel market size was valued at USD 93.69 billion in 2018 and is expected to witness a CAGR of 5.2% from 2019 to 2025. Rising demand from end-use industries such as automotive, oil and gas, and construction is anticipated to propel the growth.

Raw Material: The only raw material that is used is Stainless Steel Cold Rolled Sheets – 1mm to 3mm.

Machinery Requirement: Major machines and equipments are as follows:

S No.	Name	Quantity	Amount
1.	Hand Operated sheering Machine 900mm	1	25000
2.	Spinning Lathe Centre height 350mm	1	50000
3.	Electronic Weighing machine	1	25000
4.	Hand fly press for light punching	1	115000
5.	Double action deep drawing power press 100 MT with 15HP motor, starter,etc	1	250000
6.	Circular cutting	1	35000
7.	Annealing Plant	1	50000
8.	Centre Lathe 2.5M Bed	1	60000
9.	Pillar Drilling machine 25mm capacity	1	15000
10.	Arc Welding Transformer 300 Amps	1	25000
11.	Bench Grinder 200 x 25 mm wheel size	2	15000
12.	Dies and other hand tools	Ls	50000
	Total Amount		715000

Manufacturing Process: The process of manufacture comprises of the following operations –

- Sheets of finally required gauge are obtained from cold rolling mills or from the traders.
- These sheets are cut into the shapes of square blank of circles.
- These circles blank sheets are annealed before sending them for further processing.
- Feeding circles to press / spinning.
- Pressing different items.
- Spinning operation for different items. Surface finishing.
- Storing & dispatch.

Area: The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and auxiliary like Generator setup. Also some of the area of building is required for office staff facilities, documentation, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 1500 to 2000Sqft. Civil work cost will be Rs 5 Lac (Approx.)

Power Requirement: The power consumption required to run all the machinery could be approximated as 30 Hp

Manpower Requirement: There are requirement of skilled machine operators to run the machine set. Experience quality engineers are required for desired quality control. Some helpers are also required to transfer the material from one work station to other. Office staffs are required to maintain the documentation. The approximate manpower required is 9 including 1 Supervisor, 1 Machine Operator, 2 unskilled worker, 1 Helper and 1 Security guard. 3 Skilled worker including Accountant, Manager and Sales person.

Bank Term Loan: Rate of Interest is assumed to be at 11%

Depreciation: Depreciation has been calculated as per the Provisions of Income Tax Act, 1961

Approvals & Registration Requirement:

Basic registration required in this project:

- GST Registration
- Udyog Aadhar Registration (Optional)
- Choice of a Brand Name of the product and secure the name with Trademark if require.
- NOC from State Pollution Control Board

Implementation Schedule:

S No.	Activity	Time required
1.	Acquisition of premises	1-2 Months
2.	Procurement & installation of Plant & Machinery	1-2 Months
3.	Arrangement of Finance	1.5-2 Months
4.	Requirement of required Manpower	1 Month
5.	Commercial Trial Runs	1 Month
	Total time Required (some activities shall run concurrently)	5-6 Months

FINANCIALS

PROJECTED BALANCE SHEET					
PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Capital Account					
Opening Balance	-	2.51	5.62	8.38	11.58
Add: Additions	2.03	-	-	-	-
Add: Net Profit	1.98	4.91	5.77	6.80	7.03
Less: Drawings	1.50	1.80	3.00	3.60	4.00
Closing Balance	2.51	5.62	8.38	11.58	14.61
CC Limit	6.00	6.00	6.00	6.00	6.00
Term Loan	10.92	8.19	5.46	2.73	0.00
Sundry Creditors	0.87	1.01	1.11	1.21	1.31
TOTAL :	20.30	20.81	20.95	21.52	21.92
APPLICATION OF FUND					
Fixed Assets (Gross)	13.65	13.65	13.65	13.65	13.65
Gross Dep.	1.72	3.22	4.52	5.65	6.64
Net Fixed Assets	11.93	10.43	9.13	8.00	7.01
Current Assets					
Sundry Debtors	2.93	3.59	4.02	4.48	4.94
Stock in Hand	4.67	5.45	6.06	6.69	7.33
Cash and Bank	0.77	1.35	1.73	2.35	2.63
TOTAL :	20.30	20.81	20.95	21.52	21.92

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PROJECTED PROFITABILITY STATEMENT					
PARTICULARS	I	II	III	IV	V
A) SALES					
Gross Sale	62.84	76.86	86.23	95.90	105.87
Total (A)	62.84	76.86	86.23	95.90	105.87
B) COST OF SALES					
Raw Material Consumed	37.13	43.31	47.64	51.98	56.31
Electricity Expenses	2.05	2.28	2.51	2.74	2.97
Repair & Maintenance	2.51	3.07	3.45	3.84	4.23
Labour & Wages	9.58	10.05	11.06	12.72	14.63
Depreciation	1.72	1.50	1.30	1.13	0.99
Cost of Production	52.99	60.22	65.97	72.40	79.12
Add: Opening Stock /WIP	-	2.81	3.28	3.68	4.09
Less: Closing Stock /WIP	2.81	3.28	3.68	4.09	4.52
Cost of Sales (B)	50.18	59.75	65.57	71.99	78.70
C) GROSS PROFIT (A-B)	12.66	17.11	20.66	23.91	27.17
	20.15%	22.27%	23.96%	24.93%	25.66%
D) Bank Interest (Term Loan)	1.33	1.09	0.79	0.49	0.19
ii) Interest On Working Capital	0.66	0.66	0.66	0.66	0.66
E) Salary to Staff	7.43	8.92	10.70	12.85	15.42
F) Selling & Adm Expenses Exp.	1.26	1.54	1.72	1.92	2.12
TOTAL (D+E)	10.68	12.21	13.88	15.91	18.38
H) NET PROFIT	1.98	4.91	6.79	8.00	8.79
I) Taxation			1.02	1.20	1.76
J) PROFIT (After Tax)	1.98	4.91	5.77	6.80	7.03

PROJECTED CASH FLOW STATEMENT					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	2.03	-			
Reserve & Surplus	1.98	4.91	6.79	8.00	8.79
Depriciation & Exp. W/off	1.72	1.50	1.30	1.13	0.99
Increase In Cash Credit	6.00				
Increase In Term Loan	12.29	-	-	-	-
Increase in Creditors	0.87	0.14	0.10	0.10	0.10
TOTAL :	24.88	6.55	8.19	9.23	9.87
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	13.65	-	-	-	-
Increase in Stock	4.67	0.78	0.62	0.63	0.64
Increase in Debtors	2.93	0.65	0.44	0.45	0.47
Repayment of Term Loan	1.37	2.73	2.73	2.73	2.73
Taxation	-	-	1.02	1.20	1.76
Drawings	1.50	1.80	3.00	3.60	4.00
TOTAL :	24.12	5.97	7.80	8.61	9.59
Opening Cash & Bank Balance	-	0.77	1.35	1.73	2.35
Add : Surplus	0.77	0.58	0.39	0.62	0.28
Closing Cash & Bank Balance	0.77	1.35	1.73	2.35	2.63

COMPUTATION OF MAKING OF PRESSED COMPONENTS			
Item to be Manufactured Pressed Components(Stainless steel plate, glass & spoons)			
Manufacturing Capacity per day		100	Kg
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		30,000	Kg
Total Production per Annum		30,000	Kg
Year		Capacity	PRESSED COMPONENTS
		Utilisation	
I		45%	13,500.00
II		50%	15,000.00
III		55%	16,500.00
IV		60%	18,000.00
V		65%	19,500.00

COMPUTATION OF RAW MATERIAL					
Item Name	Quantity of Raw Material	Unit	Unit Rate	Total CostPer Annum (100%)	
Stainless steel cold rolled sheets 1mm-3mm	30.00	MT	2,75,000.00	82,50,000.00	
				-	
Total				82,50,000.00	
Total Raw material in Rs lacs				82.50	

Raw Material Consumed	Capacity Utilisation	Amount (Rs.)	
I	45%	37.13	
II	50%	43.31	5% Increase in Cost
III	55%	47.64	5% Increase in Cost
IV	60%	51.98	5% Increase in Cost
V	65%	56.31	5% Increase in Cost

COMPUTATION OF SALE					
Particulars	I	II	III	IV	V
Op Stock	-	675.00	750.00	825.00	900.00
Production	13,500.00	15,000.00	16,500.00	18,000.00	19,500.00
	13,500.00	15,675.00	17,250.00	18,825.00	20,400.00
Less : Closing Stock(15 Days)	675.00	750.00	825.00	900.00	975.00
Net Sale	12,825.00	14,925.00	16,425.00	17,925.00	19,425.00
Sale Price per Kg	490.00	515.00	525.00	535.00	545.00
Sale (in Lacs)	62.84	76.86	86.23	95.90	105.87

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					
PARTICULARS	I	II	III	IV	V
Finished Goods					
(15 Days requirement)	2.81	3.28	3.68	4.09	4.52
Raw Material					
(15 Days requirement)	1.86	2.17	2.38	2.60	2.82
Closing Stock	4.67	5.45	6.06	6.69	7.33

COMPUTATION OF WORKING CAPITAL REQUIREMENT			
Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	4.67		
Less:			
Sundry Creditors	0.87		
Paid Stock	3.80	0.38	3.42
Sundry Debtors	2.93	0.29	2.64
Working Capital Requirement			6.06
Margin			0.67
MPBF			6.06
Working Capital Demand			6.00

<u>BREAK UP OF LABOUR</u>				
Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Supervisor		22,000.00	1	22,000.00
Machine Operator		16,000.00	1	16,000.00
Unskilled Worker		12,000.00	2	24,000.00
Helper		8,000.00	1	8,000.00
Security Guard		6,000.00	1	6,000.00
				76,000.00
Add: 5% Fringe Benefit				3,800.00
Total Labour Cost Per Month				79,800.00
Total Labour Cost for the year (In Rs. Lakhs)			6	9.58

<u>BREAK UP OF SALARY</u>				
Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Manager		25,000.00	1	25,000.00
Accountant cum store keeper		18,000.00	1	18,000.00
Sales		16,000.00	1	16,000.00
Total Salary Per Month				59,000.00
Add: 5% Fringe Benefit				2,950.00
Total Salary for the month				61,950.00
Total Salary for the year (In Rs. Lakhs)			3	7.43

COMPUTATION OF DEPRECIATION					
Description	Land	Building/shed	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		10.00%	15.00%	10.00%	
Opening Balance	Leased		-	-	-
Addition	-	5.00	7.15	1.50	13.65
	-	5.00	7.15	1.50	13.65
		-	-	-	
TOTAL		5.00	7.15	1.50	13.65
Less : Depreciation	-	0.50	1.07	0.15	1.72
WDV at end of Ist year	-	4.50	6.08	1.35	11.93
Additions During The Year	-	-	-	-	-
	-	4.50	6.08	1.35	11.93
Less : Depreciation	-	0.45	0.91	0.14	1.50
WDV at end of IInd Year	-	4.05	5.17	1.22	10.43
Additions During The Year	-	-	-	-	-
	-	4.05	5.17	1.22	10.43
Less : Depreciation	-	0.41	0.77	0.12	1.30
WDV at end of IIIrd year	-	3.65	4.39	1.09	9.13
Additions During The Year	-	-	-	-	-
	-	3.65	4.39	1.09	9.13
Less : Depreciation	-	0.36	0.66	0.11	1.13
WDV at end of IV year	-	3.28	3.73	0.98	8.00
Additions During The Year	-	-	-	-	-
	-	3.28	3.73	0.98	8.00
Less : Depreciation	-	0.33	0.56	0.10	0.99
WDV at end of Vth year	-	2.95	3.17	0.89	7.01

REPAYMENT SCHEDULE OF TERM LOAN							11.0%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	12.29	12.29	0.34	-	12.29
	IInd Quarter	12.29	-	12.29	0.34	-	12.29
	IIIRD Quarter	12.29	-	12.29	0.34	0.68	11.61
	Ivth Quarter	11.61	-	11.61	0.32	0.68	10.92
					1.33	1.37	
II	Opening Balance						
	Ist Quarter	10.92	-	10.92	0.30	0.68	10.24
	IInd Quarter	10.24	-	10.24	0.28	0.68	9.56
	IIIRD Quarter	9.56	-	9.56	0.26	0.68	8.88
	Ivth Quarter	8.88		8.88	0.24	0.68	8.19
					1.09	2.73	
III	Opening Balance						
	Ist Quarter	8.19	-	8.19	0.23	0.68	7.51
	IInd Quarter	7.51	-	7.51	0.21	0.68	6.83
	IIIRD Quarter	6.83	-	6.83	0.19	0.68	6.15
	Ivth Quarter	6.15		6.15	0.17	0.68	5.46
					0.79	2.73	
IV	Opening Balance						
	Ist Quarter	5.46	-	5.46	0.15	0.68	4.78
	IInd Quarter	4.78	-	4.78	0.13	0.68	4.10
	IIIRD Quarter	4.10	-	4.10	0.11	0.68	3.41
	Ivth Quarter	3.41		3.41	0.09	0.68	2.73
					0.49	2.73	
V	Opening Balance						
	Ist Quarter	2.73	-	2.73	0.08	0.68	2.05
	IInd Quarter	2.05	-	2.05	0.06	0.68	1.37
	IIIRD Quarter	1.37	-	1.37	0.04	0.68	0.68
	Ivth Quarter	0.68		0.68	0.02	0.68	- 0.00
					0.19	2.73	

Door to Door Period 60 Months
Moratorium Period 6 Months
Repayment Period 54 Months

CALCULATION OF D.S.C.R					
PARTICULARS	I	II	III	IV	V
CASH ACCRUALS	3.70	6.40	7.07	7.93	8.02
Interest on Term Loan	1.33	1.09	0.79	0.49	0.19
Total	5.03	7.49	7.86	8.42	8.20
REPAYMENT					
Repayment of Term Loan	1.37	2.73	2.73	2.73	2.73
Interest on Term Loan	1.33	1.09	0.79	0.49	0.19
Total	2.70	3.82	3.52	3.22	2.92
DEBT SERVICE COVERAGE RATIO	1.87	1.96	2.23	2.61	2.81
AVERAGE D.S.C.R.			2.29		

COMPUTATION OF ELECTRICITY				
(A) POWER CONNECTION				
Total Working Hour per day		Hours	8	
Electric Load Required		HP	30	
Load Factor			0.7460	
Electricity Charges		per unit	7.50	
Total Working Days			300	
Electricity Charges				4,02,840.00
Add : Minimim Charges (@ 10%)				
(B) DG set				
No. of Working Days			300	days
No of Working Hours			0.3	Hour per day
Total no of Hour			90	
Diesel Consumption per Hour			8	
Total Consumption of Diesel			720	
Cost of Diesel			65.00	Rs. /Ltr
Total cost of Diesel			0.47	
Add : Lube Cost @15%			0.07	
Total			0.54	
Total cost of Power & Fuel at 100%				4.57
Year		Capacity		Amount
				(in Lacs)
I		45%		2.05
II		50%		2.28
III		55%		2.51
IV		60%		2.74
V		65%		2.97

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